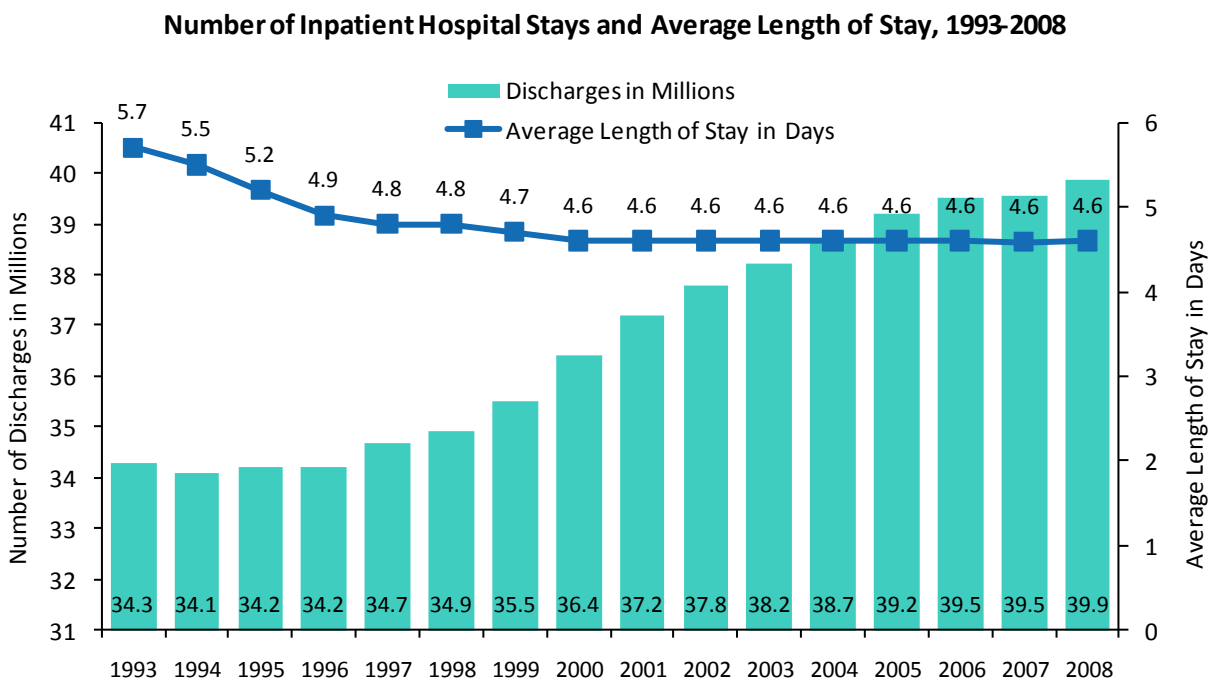


EXHIBIT 1.2 Inpatient Hospital Stays and Average Length of Stay



Source: AHRQ, Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 1993-2008.

The average length of stay in U.S. community hospitals stabilized beginning in 2000, while the number of hospital stays continued to slowly rise.

- The average length of stay (ALOS) in 2008 (4.6 days) was almost 20 percent shorter than in 1993 (5.7 days). The ALOS declined throughout most of the 1990s and has remained unchanged since 2000.
- From 1993 to 2008, the number of discharges grew by 5.6 million (an average of 1.0 percent annually).
- Growth in the number of discharges changed over the course of the 15-year period.
 - From 1993 to 1998, the number of discharges remained stable, increasing by only 0.6 million (an average of 0.3 percent annually).
 - Between 1998 and 2003, the number of discharges grew quickly, increasing by 3.3 million (an average of 1.9 percent annually).
 - In the last period, 2003 to 2008, growth again stabilized and the number of discharges increased by 1.7 million (an average of 0.9 percent annually).